

Form RD 1965-8
(7-98)

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL DEVELOPMENT
FARM SERVICE AGENCY

TYPE OF LOAN (Specify)
(1)

RELEASE FROM PERSONAL LIABILITY
(2)

STATE:
COUNTY:
CASE NO.:

(3)

PART I.

THIS RELEASE is executed on (4), 19____.

The United States of America, acting through the Rural Development mission area or Farm Service Agency or their successor agencies, hereinafter referred to as the Government, is holder or insurer of loan(s) evidenced by certain promissory note(s), bond(s), assumption agreement(s), called notes executed by (5) payable to the Government and further identified as follows:

(6)

KIND OF INSTRUMENT	DATED	ORIGINAL PRINCIPAL	UNPAID PRINCIPAL	ACCRUED INTEREST	INTEREST RATE

In connection with such loan(s) the Government is the holder of the following-described security instrument(s) on property located in (7) County, State of (7)

(8)

KIND OF INSTRUMENT	DATED	OFFICE WHERE RECORDED OR FILED	BOOK, VOL. OR DOCUMENT NO.	PAGE NO.

Taxpayer Identification Number (9)

Borrower discharged under Title 11 of the United States Code (Bankruptcy) ☐ Yes ☐ No (10)

Used to release transferor in transfer with assumption; to release joint obligor who has withdrawn; or to release borrower on sale for less than debt.

(see reverse)

PROCEDURE FOR PREPARATION : RD Instructions 1951-E and 1962-A and FSA Transferred Instructions 1951-S and 1965-A.

PREPARED BY : Agency Official.

NUMBER OF COPIES : Original and one copy.*

SIGNATURES REQUIRED : Agency official and witness.

DISTRIBUTION OF COPIES : Original to individual(s) being released from personal liability; copy to Local Office file.

ADPS RELATED TRANSACTION CODE : 3K-Cancellation or Charge-Off of Indebtness.

*In case of sale outside program for less than debt, make two copies and forward a copy to the Finance Office in accordance with §1965.27(g)(9) of FSA Transferred Instruction 1965-A for Farm Loan Programs.

INSTRUCTIONS FOR PREPARATION

- (1) Identify loan type.
- (2) Insert name of state and county address of borrower's case number. For transfer with assumption, enter Transferor's case number; for withdrawal of joint obligor or co-signer, enter case number of party(ies) to remain indebted.
- (3) Part 1 will be completed in all cases.
- (4) Enter date the release is effective, which will be the date this form is signed by the authorized Agency official.
- (5) Enter name(s) of all person(s) who signed note(s) (obligors).
- (6) Complete Table I to describe all notes involved in release from liability.
- (7) Enter names of county and state in appropriate blanks.
- (8) Complete Table II to describe security instrument(s) securing note(s) described in Table 1.
- (9) Enter borrower's taxpayer identification number (TIN) (social security number (SSN) for individuals). When TIN or SSN are not available, enter 000-00-0000.
- (10) Has the borrower been discharged under Title II of the United States Code (Bankruptcy)?

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(11)

☐ **PART 2. FOR TRANSFER WITH ASSUMPTION**

(12)

, called Transferor

has (have) conveyed the property described in the security instrument(s) listed in Part 2 of this form, to

(13)

, called Transferee.

Transferees by assumption agreement have assumed the obligations of the note(s) and security instrument(s) including personal liability for payment of all or part of unpaid indebtedness of Transferor and, if an insured loan is involved, payment of (a) a separate annual loan or mortgage insurance charge to the Government, if and as provided in any such instrument(s), and (b) indemnification to the Government for any amounts paid or loss suffered by it because of Transferee's failure to meet the obligation under the note(s), security instrument(s), and assumption agreement(s).

If Transferee has not assumed all of the unpaid indebtedness of Transferor, the undersigned has determined that Transferor meets the conditions set forth in the statute(s) and the Government servicing regulations applicable to the type of loan(s) involved.

Therefore, the Government hereby releases the Transferor from personal liability to the Government for the indebtedness and obligations evidenced by or incurred under the terms of said note(s) and security instrument(s); provided, however, that nothing in this form shall release or extinguish any part of said indebtedness or obligations, including interest and all other amounts nor release the security instrument(s) or any part of the property covered by those instruments from the lien thereof, nor modify or impair the priority or enforceability of such lien(s), and the Government retains unto itself and its assigns all rights against the Transferor necessary to preserve the lien(s), priority, and enforceability of such security instrument(s) against the property covered by those instruments and all rights and remedies of the Government by subrogation or as holder or insurer of the note(s), loan(s) or security instrument(s), against all parties other than the Transferor.

(14)

☐ **PART 3. FOR WITHDRAWAL OF JOINT OBLIGOR**

(15)

has conveyed his or her interest

in the property described in the security instrument(s) described in Part 1 of this form to

(16)

Because (16) shall continue to be personally liable for the obligations under the terms of the note(s) and security instrument(s) described in Part 1 of this form for payment of the unpaid indebtedness on the loan(s) and if an insured loan is involved, for payment of (a) a separate annual loan or mortgage insurance charge to the Government, if and as provided in any such instrument(s), and (b) indemnification to the Government for any amounts paid or loss suffered by it because of failure to meet the obligations under the note(s) and security instrument(s).

Therefore, the Government releases (15) from personal liability to the Government for the indebtedness and obligation of said note(s) and security instrument(s).

- (11) If case is transfer with assumption, place "X" in box beside Part 2, for all other cases, leave Part 2 Blank.
- (12) Enter name(s) of all obligors to be released (transferor).
- (13) Enter name(s) of all parties who signed Assumption Agreement(s).
- (14) If case is withdrawal of joint obligor, place "X" in box beside Part 3; for all other cases, leave Part 3 blank.
- (15) Enter name of joint obligor to be released from liability.
- (16) Enter name of joint obligor who will remain indebted to the Agency.

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(17)

☐ **PART 4. FOR RELEASE OF CO-SIGNER FOR RURAL HOUSING (RH) LOAN.**

(18) _____ co-signed promissory note(s)

described in Part I of this form with (19) _____

Another co-signer acceptable to the Government has been substituted to assure repayment of the note(s).

Therefore, the Government hereby releases (18) _____

as co-signer, from personal liability to the Government for the indebtedness evidenced by promissory note(s) described in Part I of this form. (20)

☐ **PART 5. FOR CASH SALE NOT RESULTING IN FULL PAYMENT OF INDEBTEDNESS FOR FARM LOAN PROGRAMS**

(21) _____, called Transferor, has with the consent of the Government sold the property described in the security instrument(s) subject thereto; however sale proceeds were insufficient to pay Transferor's indebtedness to the Government in full. The undersigned has determined that Transferor meets the conditions for release of personal liability set forth in the statute(s) and the Government servicing regulations applicable to the type of loan(s) involved.

Therefore, the Government hereby releases Transferor from personal liability for the remaining debt.

This release from liability from the Government may result in a tax liability. Any questions regarding possible tax liability should be directed to a tax advisor.

IN WITNESS WHEREOF, this release is executed as the act and deed of the Government by the undersigned, acting pursuant to duly delegated authority.

WITNESS

(24) _____

UNITED STATES OF AMERICA

By: (22) _____

Title: (23) _____

Agency Official: _____

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- (17) If case is release of a co-signer on an RH loan, place "X" in box beside Part 4; for all other cases, leave Part 4 blank.
 - (18) Enter name of co-signer to be released from liability.
 - (19) Enter name of obligor(s) - same as entered in Part 1.
 - (20) For sale of property outside program for less than debt, place "X" in box beside Part 5; for all other cases, leave Part 5 blank.
 - (21) Enter name of borrower(s) to be released from liability.
 - (22) To be signed by authorized servicing official. Type or print name under signature line.
 - (23) Enter title of authorized servicing official.
 - (24) Signature of witness; type or print name under signature line.
- ☆ U.S. GOVERNMENT PRINTING OFFICE: 1998 - 655-082/61606